sistance to small and marginal farmers for increasing agricultural production is Rs. 233.64 lakhs, out of this 70% funds are to be utilised for Minor Irrigation Works.

Formation of a Indo-Arab investment Company

2760. SHRI HASHIM RAZA ALLAHABADI ABDI: Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that the Indo-Arab Joint Business Council has suggested the formation of an Indo-Arab Investment Company; and

(b) if so, wnat are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) At the meeting of the Indo-Arab Joint Business Council held in New Delhi in October, 1987 a suggestion was made that an investment company under the joint ownership of India and the Arab countries could be set up.

Investment by public in private companies

2761. SHRI KALPNATH RAI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of private companies offer shares to the public and invite investments in the shape of fixed deposits;

(b) whether any study of the investments by the public in private companies has been conducted by the Government and if so, whether any norms have been laid down in this regard for observance by such companies, and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir.

(b) and (c) Government have issued certain guidelines (as attached) for compliance by the companies. (For the concerned Press Notes. *See* Statement below.) The provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 framed thereunder, regulate the acceptance of deposits by a company.

Statement

PRESS NOTE

Subject: Guidelines for expeditious processing of applications from the public for public issue of Capital and despatch of refund orders.

With a view to further safeguarding the interest of the investing public, the Government have decided to incorporate the following new condition in the list of conditions attached to the consent order issued by the Controller of Capital Issues for raising securities from the public by companies. The new condition is the following:

1. (i) The Company shall scrupulously adhere to the time limit of 10 weeks from the date of closure of the subscription list for allotment of all securities and despatch of allotment letters/certificates and refund orders.

(ii) The company shall, at the time of filling its application for listing to the regional Stock Exchange, furnish an undertaking for compliance of the above condition, along with a scheme incorporating the necessary details of the arrangements for such compliance. This undertaking shall be signed

son authorised by the Board of the company.

(iii) The company shall file, with the Executive Director or Secretary of the regional Stock Exchange within five working days of the expiry of the stipulated period as above, a statement signed by the Chief Executive or a person authorised by the Board, certifying that the allotment letters/securities and the refund orders have been despatched within the prescribed time limit as per the condition above. A copy of the statement shall be endorsed to the office of the CCI quoting this consent order and date.

(iv) Non-compliance of conditions above shall be punishable by the Stock Exchange, in addition to the action that may be taken by other competent authorities.

2. The above condition is introduced with a view to ensuring that the companies process the applications of the investing public and despatch the allotment letters/certificates and refund orders expeditiously and take action within the stipulated time limit.

3. Any company applying to the CCI for grant of consent for issue of securities shall also publicise a nodal authority in the Company, who shall oversee arrangements for processing the applications, despatch of allotment letters/certificates and refund orders and also deal with the complaints from the investing public etc. in this context.

4. The Banks, the Merchant Bankers, Managers, Advisors, Registrars and other agencies associated with the Issue are expected to give their utmost attention in ensuring compliance of the new condition in the consent order.

5. The Stock Exchanges are being directed to monitor the compliance of these conditions. Any violation by the company shall invite penal action from them as also other authorities. Adverse note shall also be taken by the CCI and other concerned agencies of any laxity or default on the part of the companies or any of the agencies associated in handling the issue which may result in delays in despatch of allotment letters/refunds etc.

No. F.1/63/SE/87

Date: 8th January, 1988.

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

NRI CELL

PRESS NOTE

SUBJECT: Facilities for NRI subscription simplified.

To minimise the problems relating to delays in allotments/refunds and the consequent exchange losses for NRI's subscribing to the public issues of Indian Companies for different types of securities, Government have decided to make it compulsory for Indian Companies inviting NRI subscription to open Foreign Currency Collection Accounts at suitable overseas location(s) from where such subscriptions are being invited. Such Accounts will have to be opened with branches of Indian Nationalised Banks wherever they are operating. The subscription money so collected would be retained in such Account(s) till the allotment is finalised. The net amount can be repatriated to India only after allotment letters are issued to the investors and excess subscription, if any, is refunded to the applicants. Applications for opening Foreign Currency Collection Accounts for this purpose should be made to RBI giving names and addresses of overseas Bank branches with whom such Accounts are to be opened while seeking RBI's

permission for issuing shares to NRIs. The RBI would grant simultaneous permission in this regard.

F.NO. 10/95/87-NRI CELL.

New Delhi, the 15th Feb., 1988.

PRESS NOTE

Revised Guidelines for listing of Securities on Stock Exchanges.

Presently the minimum issued capital and the minimum public offer of a company prescribed for eligibility for listing on a Stock Exchange are Rs. 50 lakhs and Rs. 30 lakhs respectively.

2. With a view to increasing the size of the issue eligible for listing and to improve their liquidity prospects after listing on Stock Exchanges, it has been decided to raise this minimum eligibility criteria for listing of securities as follows:

((i) The minimum issued equity capital of a company shall be above Rs. 100 lakhs.

(ii) The minimum public offer of the equity capital shall not be less than Rs. 60 lakhs.

No. F.1/1/SE/88

Dated: February 19, 1988.

Non-implementation of gold jewellery export scheme

2762. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the NRIs are withdrawing due to non-implementation of the scheme announced by Government some time in 1984 for 100 per cent gold jewellery complex for export;

(b) if so, what are the reasons for non-implementation of the scheme and what is the estimated loss in the export of gold jewellery as a consequence thereof; and

(c) what steps have been taken by Government to remove the impediments in the implementation of the scheme?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) No, Sir.

(b) and (c) Do not arise.

Renew of lease agreement by Dena Bank for Connaught Circus premises

2763. SHRI PRITHIBI MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the managemetn of Dena Bank has not renewed the lease and also the rent of its Branch premises located in 206, Akash Deep Building in Connaught Circus area since 1979 despite repeated requests made by the lessor in this regard; and

(b) if so, by when Government propose to implement the directions contained in Directorate of Estate-letter No. 16013(17)/76-POL-IV(III)-Police Cell III dated the 1st September, 1982 for enhancing the rent of premises taken on hire by Government after interval of five years from the date of first lease?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Dena Bank has reported that the lease could not be renewed as landlord is demanding an exorbitant rise in the rent of the premises referred to in the Question. The Bank is, however, prepared to consider reasonable increase in the rent within the overall guidelines of Reserve Bank of India (RBI) in such matters.

(b) Banks consider increase in rents of hired premises depending upon the terms and conditions of the lesae deed executed between the landlord and the bank and also keeping in viw RBI guidelines in this regard.